



**The Comptroller General  
of the United States**

Washington, D.C. 20548

## **Decision**

**Matter of:** StaffAll  
**File:** B-233205  
**Date:** February 23, 1989

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### **DIGEST**

Although the General Accounting Office closely scrutinizes agency decisions that limit the competitive range to one proposal, such a result is unobjectionable where the only other proposal submitted was reasonably found to be so technically deficient that there was no reasonable expectation that it would be selected for award.

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### **DECISION**

StaffAll protests the award of a contract to Pioneer Contract Services, under request for proposals (RFP) No. 9-BG32-60-8-6P, issued by the National Aeronautics and Space Administration (NASA) for logistics support services at the Johnson Space Center in Houston, Texas. StaffAll primarily argues that NASA improperly evaluated the proposals, leading to its exclusion from the competitive range.

We deny the protest.

The solicitation's stated evaluation factors included mission suitability, company experience and past performance, other technical factors, and cost, but only the mission suitability factor was to be numerically weighted and scored. (The other factors, aside from cost, were given adjectival ratings ranging from excellent to poor.) Mission suitability, described in the RFP as an assessment of the merit of the work product proposed and the ability of the offeror actually to provide what was offered, included the following evaluation factors and subfactors:

- 3.1 Management
  - a. Organization Plan
  - b. Recruiting, Staffing, and Training
  - c. Operating Plan
- 3.2 Key Personnel

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- a. Project Manager
- b. Other Key Personnel
- .3.3 Understanding the Requirement
  - a. Essential/Critical Operational Elements
  - b. Technical Problem Solving

The RFP stated the relative significance of the mission suitability subfactors as follows:

Most important:	Operating plan
Very important:	(1) Project manager
	(2) Other key personnel
Important:	(1) Essential/critical operational elements
	(2) Technical problem solving
	(3) organization plan
	(4) Recruiting, staffing, and training

As for cost, the source evaluation board (SEB) would evaluate proposed costs and establish the probable cost of doing business with each offeror, but cost would not be weighted and scored; it would merely be presented to the source selection official (SSO) for his consideration.

Two proposals (StaffAll's and Pioneer's) were timely received and evaluated. The SEB concluded that only Pioneer had a reasonable chance of being selected for final award and that, consequently, the competitive range consisted only of that firm. When the SEB's findings were presented to the SSO in October, he agreed with the findings based essentially on Pioneer's excellent score in mission suitability (947 compared to StaffAll's 478) and the determination that Pioneer's proposal was materially superior in the areas of company experience and past performance; NASA found that the protester was completely lacking in relevant company experience and rated the company only fair in past performance.

Pioneer's significantly higher score for mission suitability (nearly 100 percent higher than StaffAll's) resulted from "excellent" ratings under each of the subfactors, and the absence of any major weaknesses. In contrast, StaffAll's proposal received an overall mission suitability score of only "fair." StaffAll was rated as "good" under the recruiting, staffing, and training, other key personnel, and technical problem solving subfactors, but only "average" under the organization plan subfactor, "fair" under the operating plan and project manager subfactors (the most important subfactors), and "poor" under the essential/critical operational elements subfactor. The SEB identified numerous major weaknesses in StaffAll's

proposal, including organizational assignments that were neither clear nor consistent with regard to duties and nomenclature; a proposed project manager without recent or directly-related experience; only limited experience among some of the proposed other key personnel; and failure to identify any essential/critical operational elements. Accordingly, the SSO directed that negotiations leading to award of the contract be entered into with Pioneer.

#### TECHNICAL EVALUATION

The gist of StaffAll's protest is that the agency excluded its proposal from the competitive range, not because of technical deficiencies, but, rather, because NASA accorded Pioneer, the incumbent contractor, preferential treatment. StaffAll contends that its exclusion was improper because its proposal was as good as the incumbent's and offered a lower cost. StaffAll argues, therefore, that it was entitled to inclusion in the competitive range and should have been given the same opportunity afforded Pioneer to improve its proposal through discussions. As part of this argument, StaffAll asserts that Pioneer was given an unfair advantage in the evaluation process, including an improper amount of weight given to its prior experience as the incumbent.

In view of the importance of achieving full and open competition in government procurement, we closely scrutinize agency decisions which result, as here, in a competitive range of one. See, e.g., Evaluation Technology, Inc., B-232054, Nov. 15, 1988, 88-2 CPD ¶ 477. Nevertheless, we will not disturb such a decision absent a clear showing that it was unreasonable, because an agency is not required to include an offeror in discussions or permit the offeror to revise an unacceptable initial proposal when the revisions required are of such a magnitude as to be tantamount to the submission of a new proposal. Id.; see also CSP Associates, Inc., B-228229, Jan. 29, 1988, 88-1 CPD ¶ 87. An agency may properly determine whether to include a proposal within the competitive range by comparing the initial proposal evaluation scores and the offeror's relative standing among its competition. Id. This relative approach to determining the competitive range may be used even where the result is a competitive range of one. Systems Integrated, B-225055, Feb. 4, 1987, 87-1 CPD ¶ 114.

In challenging the propriety of NASA's evaluation, StaffAll asserts that strengths in its proposal were overlooked. For example, StaffAll contends that its proposal deserved positive consideration under various mission suitability subfactors, particularly relating to the acquisition and

inventory management functions, for its inclusion of bottom-line, profit-oriented controls, policies, and procedures followed in industry, and that Pioneer's incumbent experience alone did not warrant giving Pioneer higher ratings in these areas. The record indicates, however, that the SEB did rate StaffAll favorably for its recognition that stringent controls with checks and balances were necessary in the acquisition function, but found that Pioneer's proposal was superior in these and other key functional areas.

In the acquisition and inventory management area, for example, Pioneer's proposal identified several essential/critical elements in addition to those identified by the SEB in its evaluation plan: assurance that all procurements be competitive; performance of follow-up actions on purchases to ensure timely delivery; prompt payment of invoices to take advantage of discounts; and assurance of proper documentation of purchase orders for verifying bills for payment. In comparison, of the RFP's 12 functional areas that were required to be addressed from a management and technical standpoint, StaffAll's proposal discussed only the acquisition and inventory management function, and NASA found (and we have confirmed) that the detail provided in this area was much more limited than in Pioneer's proposal.

In addition, StaffAll's treatment of the acquisition and inventory management area failed to integrate the workloads for those functions that were discussed in the proposal, and required the preparation of individual task orders for each delivery or receipt which, in the case of continuous tasks such as the delivery of supplies and furniture and the receipt of freight, NASA concluded would result in a costly and unwieldy administrative burden. StaffAll's priority system for work assignments also did not explain the criteria for establishing priorities, and did not provide an implementation plan (StaffAll proposed different priority classifications, for example, but offered no explanation as to the criteria for those classifications). Thus, with respect to these aspects of the evaluation, we find that NASA's assessment was reasonably based on the content of the proposals, and not, as claimed by StaffAll, on improper consideration of Pioneer's incumbent experience.

StaffAll also contends that under the recruiting, staffing, and training subfactor, NASA overlooked the fact that its proposal indicated a high interest in human resources and training for current and future employees, including a listing of proposed courses. In the area of training, however, our review indicates that NASA noted as major

strengths StaffAll's proposal of an effective cross-training program to provide potential backup personnel in critical positions during periods of workload fluctuations, extensive employee training courses from its in-house program, and tuition reimbursement for college education or job-specific training programs. However, NASA further noted (and our review of the record has confirmed) that the training plan failed to include specific provisions for training new hires, continuing training for current employees, or training for new requirements. Pioneer's proposal, on the other hand, included detailed plans for each of these areas, including orientation for new hires, refresher courses for current employees, cross-training, and training of current employees for new requirements. Thus, again, we find no basis for objecting to the SEB's conclusion that Pioneer's training plan warranted a higher rating under this evaluation subfactor than StaffAll's.

StaffAll raises other objections to the evaluation which, based on our review of the record, we also find are without merit. The firm objects, for example, to its poor rating in the areas of company experience and past performance relative to Pioneer. Basically, StaffAll appears to be arguing that NASA gave the incumbent an unfair advantage under the mission suitability and experience evaluation factors by giving undue consideration to the firm's experience at Johnson Space Center and its consequent detailed knowledge of the Center's facilities and requirements.

There was nothing improper in NASA's giving Pioneer a superior rating in areas related to experience based on its prior work at the Center; we have specifically recognized that incumbent contractors with good performance records can offer real advantages to the government and that those advantages may properly be considered in the proposal evaluation. Dalfi Inc., B-224248, Jan. 7, 1987, 87-1 CPD ¶ 24. An agency is not required to equalize competition with respect to these advantages where, as here, the advantages do not result from a preference or unfair action by the government. Universal Technologies, Inc., B-231738, Sept. 7, 1988, 88-2 CPD ¶ 217. We find no evidence that NASA gave undue weight to Pioneer's experience by giving the firm unwarranted high scores in other areas based solely on its incumbency.

We conclude that the evaluation results were consistent with the RFP evaluation scheme, and that NASA reasonably excluded StaffAll from the competitive range on the basis that its proposal was significantly inferior to Pioneer's, such that

it would have to be substantially rewritten for StaffAll to have any chance at the award.

#### BIAS

In addition to its specific objections to the evaluation, StaffAll more generally asserts that NASA personnel were biased in favor of Pioneer, and suggests that Pioneer, as a result, was the recipient of inside information and improper preferential treatment. Both NASA and Pioneer vigorously deny the allegations. Unfair or improper motives will not be attributed to government procurement officials on the basis of inference or supposition. Consolidated Group, B-220050, Jan. 9, 1986, 86-1 CPD ¶ 21. StaffAll's allegations are not supported by objective evidence in the record; indeed, as discussed above, we have found NASA reasonably concluded that Pioneer's proposal was substantially superior to StaffAll's, such that StaffAll's proposal properly was excluded from the competitive range. Thus, we find no merit to this aspect of StaffAll's protest.

#### COST

StaffAll argues that its proposal should have been retained in the competitive range because its cost was low. We do not agree. The RFP gave primary weight to technical aspects of the proposals, providing that, while cost would be considered in the evaluation, it would not be weighted or scored. At the same time, NASA concluded that since the difference in the offerors' proposed cost was less than 0.2 percent, the probable cost of doing business with the two firms was basically equal. Under these circumstances, StaffAll's slightly lower proposed cost would not warrant retaining StaffAll's significantly inferior proposal in the competitive range. Evaluation Technology, Inc., B-232054, Nov. 15, 1988, 88-2 CPD ¶ 477.

#### DISCUSSIONS

StaffAll objects to NASA's failure to conduct discussions with or request a BAFO from the firm. However, offerors submitting proposals that are properly excluded from the competitive range need not be included in negotiations. Aydin Corp., B-224354, Sept. 8, 1986, 86-2 CPD ¶ 274.

#### RFP IMPROPRIETIES

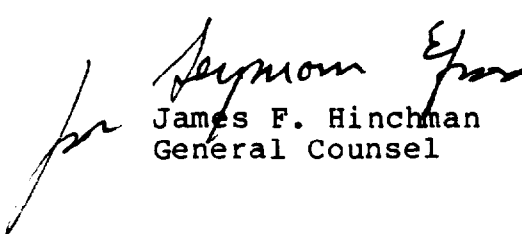
StaffAll asserts that the RFP, in a number of respects, was structured to favor the incumbent. For example, StaffAll asserts that detailed information concerning the distribution of personnel among various buildings and

functions, and the cost of personnel benefits, was excluded from the RFP, even though Pioneer, the incumbent, has access to such information.

These and related objections, concerning allegations of defects or improprieties in the solicitation that were apparent on the face of the RFP as issued, are untimely. Under our Bid Protest Regulations, such allegations had to be raised no later than the closing date for the submission of proposals. 4 C.F.R. 21.2(a)(1) (1988). Here, StaffAll has raised them only after award. Consequently, the allegations are untimely, and we will not consider them.

StaffAll also argues that NASA used the incorrect standard industrial classification (SIC) code to determine the applicable size standard for small businesses, and that Pioneer improperly was considered a small business. The Small Business Administration, not our Office, has conclusive authority to determine the proper SIC code for a procurement, as well as the size status of an offeror. We thus will not consider these matters. See 15 U.S.C. § 637 (b)(6) (1982); Newgard Industries, Inc. -- Reconsideration, B-226272.2, Apr. 17, 1987, 87-1 CPD ¶ 422; Swan Industries, B-217199 et al., Mar. 25, 1985, 85-1 CPD ¶ 346.

The protest is denied.

  
James F. Hinchman  
General Counsel